

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-151

March 26, 2002

PUBLIC UTILITIES COMMISSION
Investigation into the Adequacy of Utility Services
in Maine During Power Outages

NOTICE OF
INVESTIGATION

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

A winter storm occurred in mid-coast Maine during the third week of January 2002, affecting utility services to many Maine consumers. In particular, the storm interrupted electric service which, in turn, adversely affected telecommunications and possibly other utility services in some areas of the state. By this Notice, we open an investigation into the adequacy of utility services during events that interrupt electric power service, and in particular the adequacy of telephone service during power outages in Maine.

II. BACKGROUND

Beginning on January 13, 2002, a winter storm damaged utility facilities in areas of central and southern Maine, interrupting electric service to more than 100,000 Maine citizens. Some Maine utilities called on the resources of utilities in other areas to assist them in restoring service to affected consumers, but despite utilities' restoration efforts, services were interrupted for a number of days in some areas. The loss of electric power disabled some facilities necessary for telephone service, resulting in the loss of telephone service for many Maine citizens.

We have previously expressed concerns about the dependence of modern telecommunications equipment on electric power. Both our Staff and the Federal Emergency Management Agency highlighted this vulnerability in assessments of the passage of Hurricane Bob through New England in August 1991.¹ In its recommendations to utilities resulting from the January 1998 ice storm, the Commission specifically urged utilities to address backup power availability as related to this dependency in their emergency planning efforts.² As a result of

¹ PUBLIC UTILITIES COMMISSION, *Issues Related to Utility Planning For and Recovery From Hurricane Bob, August 1991*, Report of Summary Investigation (Sept. 5, 1991); and "Regional Interagency Hazard Mitigation Team Report; Hurricane Bob," FEMA, February 1992.

² PUBLIC UTILITIES COMMISSION, *Inquiry into the Response by Public Utilities in Maine to the January 1998 Ice Storm*, Docket No. 98-026, Order (Dec. 29, 1998) at 14.

inquiries into some recent telecommunications outages during power failures, we have noted that modernization of some telecommunications systems has resulted in some circumstances in the failure of backup batteries to perform as designed.

We remain concerned that, despite our past recommendations, telephone service appears to remain highly dependent on the availability of electric power, and as a result, Maine consumers' access to telephone service, including E-911 emergency communications that may be essential for the public health and safety, can be lost when electric power service is impaired.

III. RELEVANT STATUTORY PROVISIONS

The basic purpose of regulation by the Public Utilities Commission is stated in Maine law:

The purpose of this Title is to ensure that there is a regulatory system for public utilities in the State which is consistent with the public interest and with other requirements of law The basic purpose of this regulatory system is to assure safe, reasonable and adequate service at rates which are just and reasonable to customers and public utilities.

35-A M.R.S.A. § 101. Maine law further requires that “[e]very public utility shall furnish safe, reasonable and adequate facilities and service.” 35-A M.R.S.A. § 301(1).

Maine law provides that “the commission may on its own motion, with or without notice, summarily investigate . . . any matter relating to a public utility” 35-A M.R.S.A. § 1303(1)(c). The law further provides that the Commission may conduct a subsequent formal investigation if, after the summary investigation, the Commission finds sufficient grounds exist. 35-A M.R.S.A. § 1303(2).

IV. DISCUSSION

In some instances during the January 2002 storm and for some time thereafter, basic telephone service was interrupted shortly after loss of commercial power, leaving citizens without basic communications services that become essential to the public health and safety during winter storms. The Commission's Consumer Assistance Division received a number of complaints from ratepayers related to the adequacy of their utility service during the event, and representatives of other State agencies and County governments have recommended that the Commission investigate issues related to the event. One

of our principal concerns is that interdependencies between utility services have compromised the adequacy of many services.

In particular, we are concerned that basic telephone service can in some circumstances fail directly as a result of an interruption in power in the local area, impairing citizens' ability to reach emergency assistance if necessary. As telephone networks in Maine have evolved from electromechanical to electronic, telephone utilities have installed network equipment that requires commercial electric power to operate. An example of such equipment is digital loop carrier (DLC) systems that telephone utilities have installed in many areas of the State to connect consumers with central switching offices. While DLC systems are equipped with batteries that enable them to continue operating for a limited duration after the failure of power, those batteries may discharge in some circumstances either before power is restored or before the telephone utility can recharge them from other sources. At the same time, sufficient backup generators that could be used to offset the effects of a power outage may not be readily available nor adequately included in telephone utility emergency plans. Raising the importance of this dependency in this State, we understand that some telephone utilities have installed DLC systems to a greater extent in Maine than in other jurisdictions because of Maine's geography. As a result, telephone service to Maine consumers, and perhaps other utility services such as water supplies,³ may be unacceptably vulnerable to power failures that can be experienced during storms such as the event that began on January 13, 2002.

This investigation will focus on the adequacy and effectiveness of telephone equipment batteries, other backup power supplies for both telephone and other utilities, and power restoration plans, and on ways to improve service. We intend to assess how effectively Maine telephone and electric utilities are working together to coordinate restoration of power to susceptible facilities. We will examine communications between those utilities and between those utilities and emergency management officials. We will also briefly inquire into closely related issues that include other utility sectors as well.

As a first step, we require utilities affected by the storm, as identified in Attachment A, to respond to Advisors' Data Request No. 1 issued separately in this docket. After reviewing those responses, and any additional information that may be necessary, we will determine what further actions, if any, may be desirable to ensure that utility service in Maine continues to be safe, reasonable, and adequate.

³ While we have received explicit complaints that telephone service failed in some areas when a power outage occurred, we have also heard anecdotal reports that some water utilities may have been similarly affected.

V. ORDERING PARAGRAPHS

Accordingly, we

ORDER

1. That an investigation pursuant to 35-A M.R.S.A. § 1303 be conducted into the adequacy of public utility services during and after the winter storm that began in Maine on January 13, 2002;
2. That for the purposes of this investigation, the areas of Maine affected by that storm, and the public utilities affected by that storm, are listed in Attachment A to this Notice;
3. That the public utilities identified in Attachment A shall respond by April 30, 2002 to the applicable questions in Advisors' Data Request No. 1 issued this day; and
4. That the Administrative Director shall provide notice of this investigation, pursuant to § 712(a) of Chapter 110 of the Commission's Rules, to the public utilities identified Attachment A, to the Public Advocate, to the Maine Emergency Management Agency, to the Emergency Services Communication Bureau, and to persons who have expressed interest in this proceeding.

Dated at Augusta, Maine, this 26th day of March, 2002.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

ATTACHMENT A

For the purposes of this proceeding, the area affected by the storm is that within the boundaries of the following Maine counties: Hancock, Kennebec, Knox, Lincoln, Penobscot, Sagadahoc, Somerset, Waldo, and Washington.

For the purposes of this proceeding, public utilities affected by the storm are:

Telephone Utilities

Lincolntonville Telephone Company
Northland Telephone Company
Tidewater Telecom
Union River Telephone Company
Verizon New England Inc. d/b/a Verizon Maine
Warren Telephone Company
West Penobscot Telephone Company

Transmission and Distribution Utilities

Bangor Hydro-Electric Company
Central Maine Power Company
Eastern Maine Electric Cooperative

Water Utilities

Addison Point Water District
Baileyville Utilities District
Bingham Water District
Calais Water Department
Castine Water Department
Clinton Water District
Consumers Maine Water Company – Bucksport Division
Consumers Maine Water Company – Camden & Rockland Division
Danforth Water District
East Millinocket Water Works
Great Salt Bay Sanitary District
Hallowell Water District
Jackman Utilities District
Lincoln Water District
Milbridge Water District
Moscow Water District
Passamaquoddy Water District
Solon Water District
Waldobro Water Department
Winter Harbor Water District

Gas Utilities

Bangor Gas

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.